

Top Secret ²³¹

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NATIONAL INTELLIGENCE DAILY CABLE

Monday June 14, 1976 CI NIDC 76-139C

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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DIA review(s)
completed.

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National Intelligence Daily Cable for Monday, June 14, 1976

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[REDACTED] The NID Cable is for the purpose of informing senior US officials.

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LEBANON

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[REDACTED] Despite Syria's agreement in principle on Saturday to a plan for a phased withdrawal from Lebanon worked out by Libyan Prime Minister Jallud, Damascus shows no sign of easing its military pressure on the Palestinians and the Lebanese leftists. The Syrians apparently are playing along with the Jallud effort only to gain time to resupply their forces in the Beirut area.

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[REDACTED] The Jallud plan calls for total Syrian withdrawal within 10 days and, as a first step, Syria's agreement to lift its siege of Beirut and police the city with joint Syrian-Libyan-Palestinian "observation committees." Some Syrian and Saiga forces were pulled out of the city on Saturday and the Syrians permitted trucks carrying food and other badly needed supplies to enter beleaguered west Beirut.

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[REDACTED] The forces that were withdrawn, however, were regrouped around the Beirut airport. The city remains under Syrian siege.

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[REDACTED] No major withdrawals occurred elsewhere, and Syrian forces increased their attacks in the mountains east of Beirut

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and in the vicinity of Rashayya, where they overran two fedayeen camps used for staging raids on Israel.

According to press accounts, the Israeli cabinet was briefed yesterday on the Syrian moves around Rashayya. The cabinet reportedly concluded that the Syrian moves are not threatening.

Against the backdrop of Syria's military moves, Arab League Secretary Riyad continued to play out the pan-Arab mediation charade. During a press conference in Damascus yesterday, however, Riyad admitted that no action has yet been taken to define even the size of an Arab peacekeeping force. Riyad also stipulated that no Arab force would be allowed to enter Lebanon without the approval of the Lebanese president and until there was an effective cease-fire.

Both conditions are tantamount to admitting that the Arab League can do nothing but allow Syria a free hand in Lebanon. Lebanese President Franjiyah has repeatedly denounced the Arab League effort, and president-elect Sarkis has no authority to call in the Arab force.

SYRIA-IRAQ

25X1 [] The Syrian Baath Party newspaper yesterday published Damascus' version of the proposed political agreement Syria has been negotiating for a month with Libya, Algeria, and Iraq. The disclosure was intended to counter Iraq's charge on Friday that Damascus has reneged on a commitment to allow Iraqi forces to enter Syria.

25X1 [] Syria's account of the agreement makes clear that Damascus told Libyan leaders that Syria would under certain conditions accept Iraqi forces on Syrian territory and declare Syria's "noncommitment" to UN Security Council resolutions 242 and 338, the basis for the Geneva Middle East peace talks.

25X1 [] The Syrian statement also makes clear, however, what the Libyan intermediaries probably did not tell Baghdad; that Damascus was demanding prior political coordination, financial support, and a unified military command to include all four states.

25X1 [] According to the Syrian account, even these preliminary steps would be implemented only after they had been considered and approved by a joint political-military-economic committee that would meet in Tripoli, endorsed at a four-party summit conference of the states involved, and presented to a summit conference of all Arab heads of state.

25X1 [] Damascus obviously hoped to elicit immediate and badly-needed political and economic support from the radical Arabs, but at the same time avoid making any real concessions. The array of conditions presented by Syria would have taken years to implement even if Damascus actually intended to follow through.

25X1 [] Given its current political and security interests, Syria is not prepared either to allow Iraqi forces to enter Syria or to reject the two UN resolutions. Damascus will attempt to continue its talks with the Libyans, however, in the hope that it can still win some financial assistance and protect against the possibility that Tripoli or Algiers might adopt a pro-Palestinian stand in the Lebanese negotiations.

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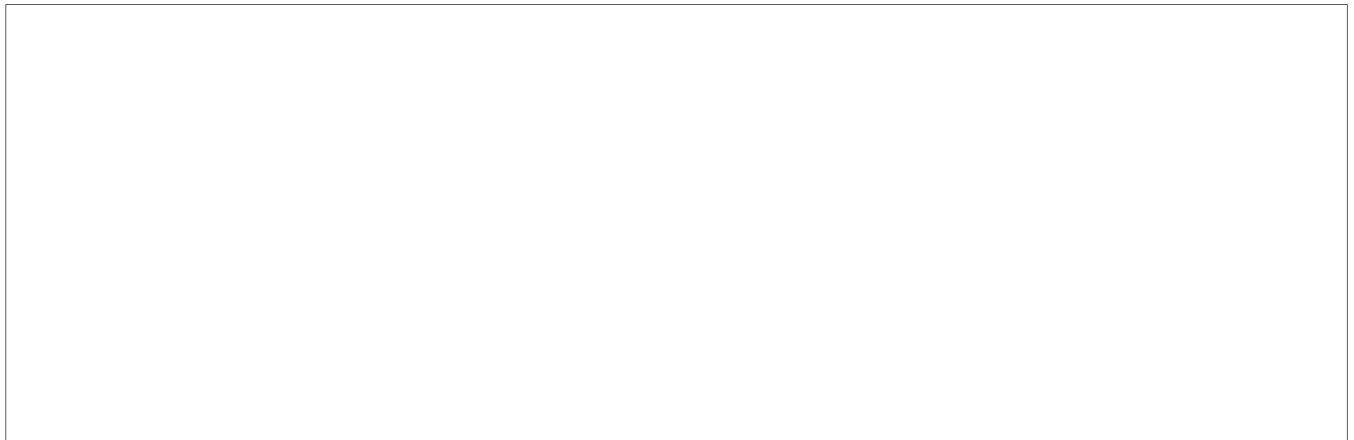
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[Redacted] Unlike the Libyans, the Iraqis appear to be convinced that Damascus will make no concessions, and Baghdad is intensifying its propaganda attacks on Damascus. Iraq is condemning Syria for backing out of its agreement with the radical Arab states and for abandoning the struggle against Israel to attack the Palestinians.

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[Redacted] Iraqi officials insist, however, that if Syria does not give approval for Iraq's forces to enter Syria for "legitimate Arab purposes," Baghdad will consider the current buildup a training maneuver and will later return the units to their permanent locations. The Iraqis' equivocal statements tend to confirm that Baghdad has massed its forces in the border area primarily to force Syria into withdrawing its troops from Lebanon.

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[Redacted] //Jordan, meanwhile, has placed its armed forces on full alert, and is exchanging information on the Iraqi moves with Syria.

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[Redacted] //Jordanian aircraft have been armed and placed in protective shelters, and their pilots are said to be prepared to react within five minutes of being alerted. Antiaircraft units are armed and fully manned.//

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[Redacted] //The US defense attache in Amman reports that Jordanian aircraft are flying daily reconnaissance missions over southwestern Iraq.

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EGYPT-SYRIA

The reconciliation meeting between the prime ministers of Egypt and Syria is now scheduled to be held on June 23 in Riyadh.

Cairo apparently requested the postponement. The Egyptians reportedly believe that Syria will not insist on discussing the second Sinai accord if Cairo does not raise the issue of Syria's involvement in Lebanon, but think that the delay is necessary to allow a clear reading of whether Damascus will implement in good faith the recent Arab League resolutions on Lebanon.

Egypt probably calculates that these delaying tactics will put more pressure on Damascus to allow a significant Arab peace-keeping force to enter Lebanon and to halt Syria's attacks on the Palestinians and leftists, even if Syrian forces do not actually withdraw. Whatever Syria does, Egypt will appear to Saudi and Kuwaiti mediators to be facilitating rather than inhibiting an Egyptian-Syrian rapprochement.

Egyptian President Sadat professes to believe that Syrian President Asad realizes his Lebanon policy has failed and that he is now looking for a face-saving way out. Hoping that this will prompt Asad to move toward reconciliation with Egypt, Sadat has refrained from gloating over Syria's predicament in interviews with newsmen. He apparently also has ordered a reduction in anti-Syrian propaganda in the Cairo press.

With its grave problems in Lebanon and with Iraq, Syria is eager to avoid offending the Saudis and the Kuwaitis. The Egyptians say it was the Syrians who proposed that the mediation meeting be held last Saturday.

Syrian leaders may have concluded that their acceptance of the Arab League resolutions on Lebanon, their willingness to meet in Riyadh, and the current security threat from Iraq might win them a restoration of badly needed Saudi financial aid. Damascus probably expects the chances of receiving such assistance to diminish when the threat from Iraq passes and it has become clear that Syria is continuing to resist general Arab involvement in Lebanon.

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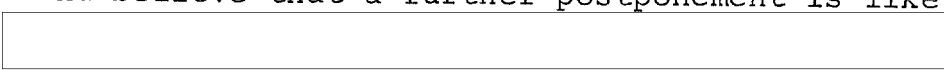
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Although Asad apparently has sought to reduce Arab criticism of his actions by obscuring Syria's aims in Lebanon, Sadat's hope that Syria has been chastened into accepting rapprochement or compromise on Egyptian terms is probably groundless. We also see no evidence that Asad has actually dropped his demand to discuss the Sinai accord at the Riyadh meeting, and believe that a further postponement is likely.

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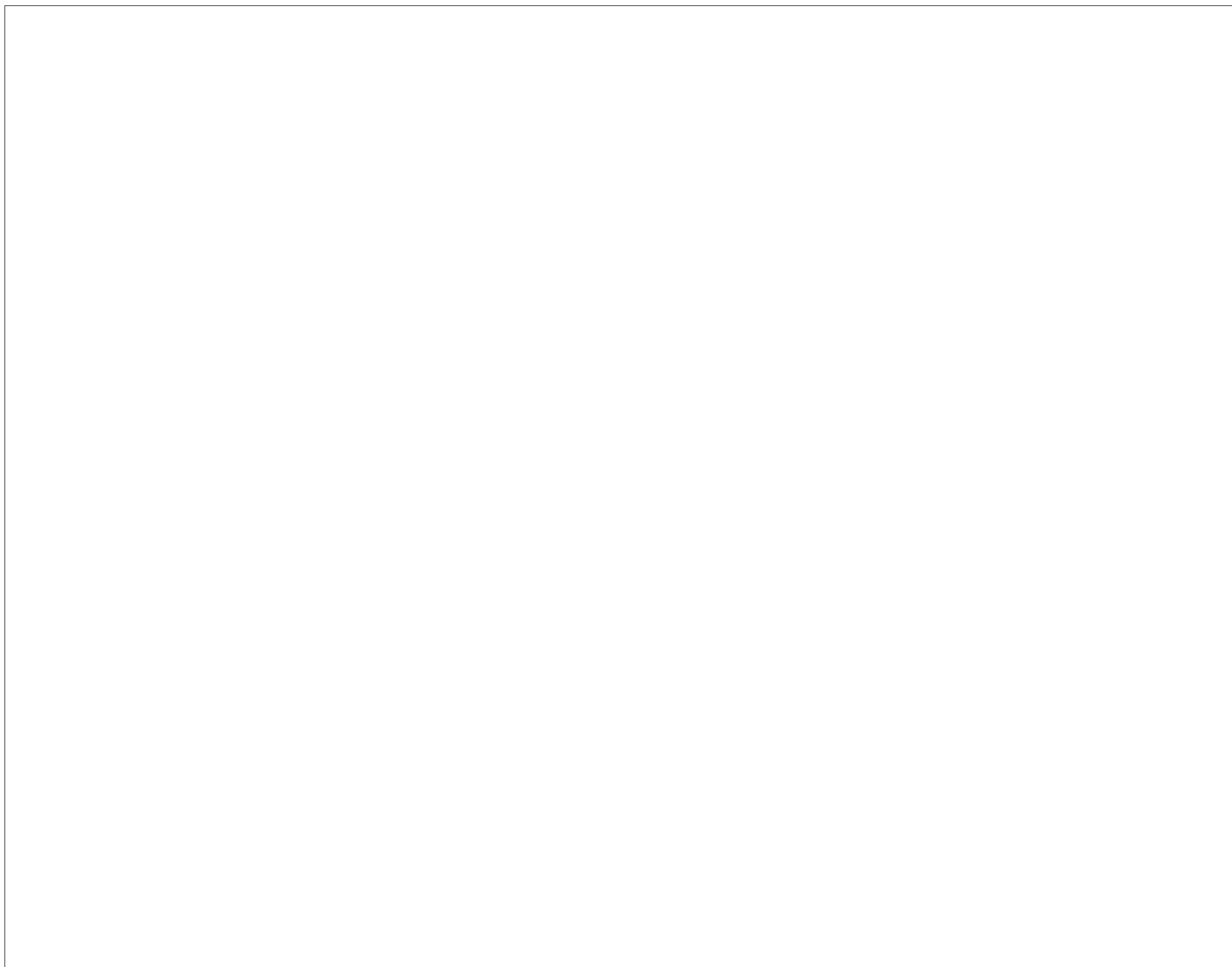


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RHODESIA

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 Rhodesian government forces have again attacked insurgents across the border in Mozambique. A government statement issued over the weekend asserted that Rhodesian forces had taken "appropriate retaliatory action" after being fired upon from Mozambican territory.

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[Redacted] The government statement provided no details, but according to press reports from Salisbury, the Rhodesian air force attacked the Mozambican border town of Espungabera last Thursday. The Rhodesians acted after mortar and rocket fire hit a Rhodesian tea plantation near the border in southeastern Rhodesia.

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[Redacted] //Rhodesian irregular forces have been crossing into Mozambique in recent weeks to attack Rhodesian guerrillas and Mozambican forces stationed with them in the border area. The Rhodesian air force also staged several attacks across the border against the guerrillas and Mozambique's troops earlier this year.//

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[Redacted] Small insurgent groups are still active in widely scattered areas of eastern Rhodesia. According to press reports, one group clashed with security forces over the weekend at Macheke, 100 kilometers (60 miles) from Salisbury on the main road linking the capital with Umtali, an important town on the border with Mozambique. [Redacted]

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INDIA-USSR

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[Redacted] Prime Minister Indira Gandhi's six-day trip to the USSR, which ended yesterday, was essentially a demonstration of the importance both countries attach to continuing close ties. The joint declaration issued after Gandhi's departure heralded the visit as a major contribution to the further development of Indo-Soviet friendship and cooperation.

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[Redacted] No new major agreements have been made public, and there is no indication yet whether Gandhi was able to get satisfaction on any of the grievances arising from India's extensive economic and military assistance relationship with the USSR.

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[Redacted] The declaration did include an agreement for regular meetings between Soviet and Indian leaders, as well as the usual rhetoric reaffirming shared views on a number of international issues.

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[Redacted] The exceptionally cordial treatment accorded Gandhi during her first visit to the USSR in four and a half years underscores the fact that India has become the USSR's most important friend in the third world since the deterioration in Soviet-Egyptian relations. [Redacted]

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FTAI-FRANCE

25X1 [] France has reached an agreement with the three principal domestic political groups in the French Territory of the Afars and Issas that Paris hopes will lead to the formation of a broad-based government better able to resist Somali efforts to annex the territory.

25X1 [] The French originally indicated a referendum on FTAI independence would be held this year, but they now say it may not take place before next March. French discussions with the three political groups are continuing, with many details yet to be worked out.

25X1 [] The new agreement, reached after two weeks of talks in Paris, is designed to give the Issas and other ethnic Somalis greater representation in the political process. Under the French, the Afars have dominated territorial politics. Ethnic Somalis constitute a majority of the population, but they have no seats in the territorial parliament.

25X1 [] France has now agreed to a government of national unity that will include the Issas-dominated African People's Independence League. Electoral laws will be revised to enfranchise ethnic Somalis, virtually assuring their dominance of the government.

25X1 [] Ali Aref Bourhan, the Afar president of the local government who until recently had maintained close ties with France, bitterly opposed the agreement because he will lose his dominant political position. Members of his own party, the National Independence Union, signed the agreement against his wishes. Aref may hang on to power for a few more weeks, but only because the legislative assembly cannot hold a vote of confidence until next month.

25X1 [] The French are gambling that an independent FTAI is more likely to be stable if the pre-independence government is dominated by Issas and has broad Afar participation, than if the government is controlled by the Afars and headed by Aref. The French believe that trying to keep Aref in power would cause the Issas to seek aid from Mogadiscio.

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[] France's willingness to cut its ties to Aref and to give the Issas a greater voice in FTAI politics will probably ease political unrest temporarily but is unlikely to ensure a peaceful transition to independence. Somali President Siad will probably continue trying to incorporate the FTAI into a "greater Somalia." A government that is not completely pro-Mogadiscio--even if dominated by the Issas--will be the target of a Mogadiscio-supported subversion campaign. Such a government is unlikely to have the will or ability to withstand a determined Somali effort to gain control.

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[] The Front for the Liberation of the Somali Coast, a Somali-controlled organization based in Mogadiscio, did not attend the Paris meeting and disavowed any agreement reached without its participation.

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[] Paris is unlikely to endanger French lives to protect an area in which it no longer has significant interests. French naval officers have recently made it clear that France no longer considers the naval base at Djibouti indispensable.

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[] Ethiopia will probably view the Paris agreement as a threat to its own interests. The terminus of Ethiopia's principal rail link to the sea is at Djibouti. Addis Ababa believes that France, by abandoning Aref and giving increased power to the Issas, is paving the way for Somalia to dominate the territory. The Ethiopians, who have close ties to Aref, will probably support Afar dissidents in order to try to prevent the Issas from turning the FTAI over to Somalia. []

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EC

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[] //EC members generally agree that their inability to work out common positions at the UN Conference on Trade and Development--in marked contrast to the tactical solidarity exhibited by the developing countries--was the primary cause of the developed states' failure to bargain effectively at the meeting.//

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[] //The Dutch, for example, argued for many of the developing states' demands, while the West Germans staunchly defended a free market approach to commodity problems. Several

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[redacted]

capitals have also pointed to the parochial and inflexible approach taken by some EC development ministers as a factor contributing to the unsatisfactory results.//

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[redacted] //Recognizing the need for EC unity if there is to be any progress on north-south questions, German Foreign Minister Genscher and French Foreign Minister Sauvagnargues have agreed to work toward common positions on those issues that proved most divisive at Nairobi--primarily commodity questions and the developing states' debt. The two ministers plan to concentrate on achieving results in the Paris Conference on International Economic Cooperation and, specifically, in its raw materials commission, which they consider a more "professional" and thus more manageable forum than UNCTAD.//

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[redacted] //EC officials are optimistic that Community discipline can be maintained at the Paris conference and in the UNCTAD-sponsored talks this fall on individual commodity agreements and a common financing fund. Discipline has been good in Paris to date, but it could break down once more if contentious issues, such as those that arose at UNCTAD, are introduced.//

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[redacted] //The Nine want to use the raw materials commission as a steering group to direct the work of the commodity groups, and they have already directed the Commission to develop Community policy for the follow-on talks.//

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[redacted] //Commission officials will push hard for agreement among the Nine to speak with one voice in future negotiations. Commission officials argue that the Community must adopt this course because the Treaty of Rome stipulates that commodity policy falls under EC jurisdiction. [redacted]

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USSR/ECPC

Delegates preparing for the conference of European communist parties adjourned on Friday "for about ten days," according to the head of the Yugoslav delegation.

The meeting, that of the conference's editorial commission in East Berlin, is supposed to be the last one before the opening of the conference itself. Its initial two-day session was characterized as "businesslike and comradely," a formulation implying continuing differences on matters of principle.

The delegations of the 28 parties taking part will now consult their respective party leaders to ratify such compromises as have been made and to obtain guidance on issues still unresolved. The initial Yugoslav assessment is that a consensus on matters of principle may be at hand, but that differences on matters of procedure must still be resolved before a date for the conference can be discussed.

The adjournment will extend past the June 20-21 election in Italy and conveniently removes the conference from the public eye during the campaign as the Italian Communists wanted. The delay also allows the Soviets time to continue lobbying with the French and Spanish parties, the primary holdouts against convening the European party conference.

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[REDACTED] The Soviets have accommodated the parties unenthusiastic about the conference. They are letting it be known through their loyal followers that they are flexible about the date for the meeting. Moscow's retreat from its original target date of late this month probably reflects a realization that considerable work remains before the conference can open. [REDACTED]

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PERU-USSR

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 //Unconfirmed reports suggest that Peru has ordered air defense equipment from the USSR. The systems will include Peru's first surface-to-air missiles, fire control equipment, and early warning radar.//

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[redacted] //Approximately 120 Peruvian military personnel--60 from the army and 30 each from the air force and navy--are reportedly training in the USSR on the air defense equipment.//

[redacted]

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[redacted] //Air defense is a weak link in Peruvian military capabilities. Peru has wanted to replace conventional antiaircraft artillery with missiles since the early 1970s but has been dissatisfied with offers from the US and UK. The missiles would probably be fielded primarily near the Chilean border and around Lima. [redacted]

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JAMAICA

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[redacted] //The rapid deterioration of the Jamaican economy has reportedly convinced Prime Minister Manley to call for an election in August in the belief that the longer he delays the worse his prospects will become.//

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[redacted] //Elections need not be held until next May, and Manley had been expected to wait at least until November when he can legally alter the boundaries of several electoral districts. Gerrymandering would improve his chances against the opposition Jamaica Labor Party, but a further deterioration in the economy could easily cancel out that gain.//

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[redacted] //Although Manley's decision to hold elections at the end of summer is likely because of his belief that he will still have enough popular appeal to win a majority of seats in the House of Representatives, another interpretation has been offered by opposition leader Edward Seaga in a conversation with the US ambassador last week. Seaga predicted that Manley will boost his chances by announcing before August an advantageous economic deal with the USSR.//

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[redacted] //According to Seaga, the Soviets--possibly though East European intermediaries--have offered to purchase the surplus bauxite and sugar of Jamaica and other Commonwealth

Caribbean countries at premium prices. In addition, he said, Moscow will provide a \$300-million loan to the Manley government. Seaga said that the chief reason for Manley's recent unscheduled consultations with the heads of government of Barbados, Trinidad and Tobago, and Guyana was to discuss the Soviet proposal.//

Seaga's allegations cannot be dismissed, but he has an obvious stake in casting the government's actions in the worst possible light.

//There is no history of close ties that would encourage the Soviets to come to Manley's rescue. Diplomatic relations were established in March 1975, but the Manley government has not yet allowed Moscow to open an embassy.

an economic deal between Jamaica and the Soviet Union would probably require direct discussions between representatives of the two countries. We have no information that such contacts have been made.//

//Soviet aid policy, even in relation to old clients, has become increasingly conservative. The \$300 million would be a large loan for the Soviets; it also corresponds exactly with the amount Seaga said he would need from external lenders if he were elected.//

//The Soviets and East Europeans may be willing to increase their purchase of Jamaican products--especially alumina. In 1974 and 1975 the Soviets purchased about \$40 million worth of Jamaican alumina. Hungary agreed in March to build an aluminum plant in Jamaica and the Hungarians are reportedly interested in a long-term deal to purchase Jamaican bauxite and alumina. The Romanians have also expressed interest in buying Jamaican bauxite.//

//The Soviets may reason that by purchasing Jamaican products, they could get their foot in the door while running little risk of damaging relations with Washington. So-

[redacted]

viet imports of bauxite and alumina have risen considerably since 1974, and Moscow has been investing in the aluminum industries of several countries, including Turkey, Indonesia, and India, with the intention of being paid back in the raw product.//

25X1 [redacted] //It is not certain that economic assistance from communist countries would help Manley politically. It would probably confirm the fears of many voters that he is becoming too closely aligned with the communists.// 25X1 [redacted]

25X1 [redacted]

CHINA - SOUTH KOREA

25X1 [redacted] Chinese fishing boats have seized two South Korean fishing boats in the East China Sea since Friday. For the past two years such incidents have occurred during the peak of the fishing season.

25X1 [redacted] Peking issued a "serious warning" to Seoul shortly after the first Korean boat was seized on Friday, alleging that South Korean fishermen were intruding into Chinese waters. Peking issued a similar warning and lodged a protest after South Korean and Chinese boats tangled nets in 1974. A South Korean boat was seized last year but was released quickly and without publicity.

25X1 [redacted] Seoul responded to the warning and the first seizure by announcing that a "probe" of the Chinese allegations was under way, but after the second fishing boat was seized yesterday, it dispatched a destroyer escort to patrol slightly north and east of the area. A South Korean police boat is also en route to the area. There is no evidence of any other unusual air or naval activity by either side relating to the incidents.

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